

## Message Text

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70

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AF-10 NEA-10 SAJ-01 AID-20

EB-11 CIEP-02 TRSE-00 STR-08 OMB-01 CEA-02 COME-00

FRB-02 XMB-07 OPIC-12 LAB-06 SIL-01 AGR-20 FPC-01

SCEM-02 INT-08 DRC-01 /261 W  
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R 161457Z OCT 73

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 3066

INFO AMEMBASSY BELGRADE

USMISSION BERLIN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

USMISSION NATO

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY SOFIA

AMEMBASSY WARSAW

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E.O. 11652: N/A

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TAGS: ETRD UR US

SUBJ: IZVESTIYA ARTICLE STRESSES CONTINUED GOOD POSSIBILITIES  
FOR U.S. - SOVIET TRADE

1. SUMMARY. AT A TIME OF MIDDLE EAST WAR, OF DIM  
POSSIBILITIES FOR SOVIET ACHIEVEMENT OF MFN, AND OF  
CONCERN IN SOME WESTERN CIRCLES OVER POSSIBLE FUTURE OF  
SOVIET -U.S. DETENTE, LONG ARTICLE IN OCT 15 IZVESTIYA  
PRESENTS DETAILED, OPTIMISTIC VIEW OF EXPANDING U.S. -  
SOVIET TRADE RELATIONS. ARTICLE CONCLUDES WITH STATEMENT  
THAT SOME CIRCLES "MAKE NOISE, TRY TO POISON THE ATMOSPHERE,  
BUT THEY CANNOT STOP THE COURSE OF EVENTS". END SUMMARY.

2. QUARTER PAGE ARTICLE IN OCT 15 IZVESTIYA HEADLINED  
"AMERICAN BUSINESS TIES ARE EXPANDING" PRESENTS  
MOST DETAILED AND ENTHUSIASTIC ACCOUNT OF  
CURRENT AND FUTURE STATUS OF SOVIET-U.S. ECONOMIC  
RELATIONS EMBASSY HAS NOTED FOR SEVERAL WEEKS. MAIN  
THRUST OF ARTICLE IS THAT U.S. BUSINESS SERIOUSLY  
INTERESTED IN EXPANDING TRADE AND INDUSTRIAL-TECHNICAL  
COOPERATION WITH USSR, THAT NEGOTIATIONS PROCEEDING AT  
STEADY PACE AND THAT MOMENTUM OF EXPANSION IS NOW WELL  
ESTABLISHED, A GOING TREND WHICH WILL UNDOUBTEDLY  
ENCOUNTER SOME DIFFICULTIES FROM ANTAGONISTS BUT CANNOT  
BE STOPPED.

3. WRITTEN BY IZVESTIYA SPECIAL CORRESPONDENT IN NEW YORK,  
V. KOBYSH, ARTICLE INCLUDES FOLLOWING:

A) EXTENSIVE U.S. PUBLICITY ON PRESENCE CHASE MANHATTAN  
BANK OFFICE IN MOSCOW INDICATIVE THAT DEVELOPMENT U.S.-  
SOVIET ECONOMIC CONTACTS NOW AN ESTABLISHED FACT, A  
"CONFIRMED STATISTIC".

B) AMERICAN BUSINESSMEN MAKING MANY VISITS TO USSR;  
TRAVELING EXTENSIVELY , VISITING AND INSPECTING FACTORIES,  
LABORATORIES, INSTITUTES, GETTING ACQUAINTED WITH  
POSSIBILITIES FOR TWO-WAY TRADE, EXCHANGE TECHNOLOGY,  
DEVELOPMENT OF TECHNICAL COOPERATION. EXPERIENCE  
OF ELLIOTT COMPRESSOR FIRM, AND RESULTANT TECHNICAL  
COOPERATION CONTRACT WITH NEERGOMASHEXPORT CITES AS  
EXAMPLE.

C) IN NEXT FEW WEEKS MORE GROUPS U.S. BUSINESSMEN  
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COMING TO MOSCOW, SOME FOR PURCHASES OF MACHINE TOOLS  
AND WELDING EQUIPMENT, SOME FOR LARGE SOVIET-AMERICAN  
EXHIBIT OF OIL AND NATURAL GAS EQUIPMENT TAKING PLACE  
MOSCOW END OF OCTOBER.

D) IMPORTANT MEETINGS ON SOVIET-AMERICAN BUSINESS  
DEALS TAKING PLACE IN NEW YORK. DEPUTY MINISTER  
FOREIGN TRADE ALKHIMOV AND CHAIRMAN SOVIET CHAMBER OF  
COMMERCE BORISOV QUOTED IN RECENT INTERVIEWS AT WALDORF

ASTORIA AS EMPHASIZING THAT MEETINGS AND DISCUSSIONS ARE DIRECT RESULT OF AGREEMENTS CONCLUDED DURING JUNE BREZHNEV VISIT TO U.S.

E) HEADS OF NUMBER OF LARGE AMERICAN FIRMS AND BANKS HAVE JOINED TOGETHER UNDER LEADERSHIP OF PEPSI-COLA PRESIDENT DONALD KENDALL TO FORM JOINT ORGANIZATION FOR PROMOTION OF SOVIET-AMERICAN ECONOMIC RELATIONS. SOVIET SIDE COMPOSED OF HEADS OF FOREIGN TRADE ORGANIZATIONS, INDUSTRIAL MINISTRIES, LARGE PLANTS, LED BY DEPUTY MINISTER ALKHIMOV.

F) SOVIET CHAMBER OF COMMERCE HAS RECENTLY CONTRACTED WITH OCCIDENTAL PETROLEUM FOR CONTRUCTION HUGE INTERNATIONAL TRADE CENTER IN MOSCOW AT OVERALL COST MORE THAN DOLS 100 MILLION. CENTER WILL FURTHER PROMOTE FAVORABLE CONDITIONS FOR SOVIET TRADE WITH FOREIGN COUNTRIES, AND ESPECIALLY WITH U.S.

G) IN SPRING 1973 SOVIET UNION CONCLUDED CONTRACT WITH OCCIDENTAL FOR CONSTRUCTION NEAR KUIBYSHEV OF WORLD'S LARGEST CHEMICAL FERTILIZER COMPLEX. COMPLEX WILL BE FINANCED BY U.S. EXIMBANK AND COMMERCIAL BANK CREDITS TOTTALLING DOLS 360 MILLION. BANK OF AMERICA, ONE OF LARGEST BANKS IN CAPITALIST WORLD, HAS ORGANIZED CONSORTIUM TEN BANKS TO FINANCE THIS DEAL. DETAILS OF FINANCING OF FERTILIZER COMPLEX NOW ALMOST COMPLETED; DOZENS OF AMERICAN FIRMS WILL BE INVOLVED IN CONTRACTS WITH SOVIET FOREIGN TRADE ORGANIZATIONS.

H) CREDITS FOR FERTILIZER COMPLEX WILL BE REPAID THROUGH EXPORTS OF FERTILIZER AND CHEMICALS PRODUCED, AND THIS WILL BE MODEL FOR OTHER LARGE U.S. PROJECTS IN USSR. TWO OF THESE ARE EXTRACTION OF NATURAL GAS IN TYUMEN AND YAKUTSK. GAS PROJECTS CURRENTLY BEING DISCUSSED WITH LARGE AMERICAN FIRMS, AND JAPANESE FIRMS WILL ALSO PARTICIPATE. PIPE AND EQUIPMENT FOR PROJECTS LIMITED OFFICIAL USE

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WILL BE PAID FOR BY DELIVERIES OF GAS.

I) ARMAND HAMMER OF OCCIDENTAL QUOTED AS SAYING THAT NATURAL GAS NEGOTIATIONS GOING WELL. "EVERYTHING IS IN ORDER", MUCH PROGRESS MADE IN NEGOTIATIONS SINCE BEGINNING OF YEAR.

J) OF COURSE NAIVE TO EXPECT THAT EXPANSION U.S. - SOVIET ECONOMIC RELATIONS WILL GO SMOOTHLY. IN RECENT WEEKS OPPONENTS OF THIS TREND AND OF BILATERAL NORMALIZATION IN GENERAL ARE ESPECIALLY ACTIVE. NEW YORK TIMES AND SENATOR JACKSON URGE U.S. BUSINESSMEN NOT TO TRADE WITH USSR SINCE THIS WILL STRENGTHEN SOVIET POWER. NEVERTHELESS, U.S. BUSINESSMEN NOT DELUDED AND REALIZE THAT TRADE AND DEVELOPMENT PROJECTS IMPORTANT BOTH FOR U.S. TODAY AND IN FUTURE. THEY REALIZE THAT OPPONENTS EXPANSION ECONOMIC RELATIONS DOING

DISSERVICE TO THEIR OWN COUNTRY ; "THEY MAKE NOISE, TRY  
TO POISON THE ATMOSPHERE, BUT THEY CANNOT STOP COURSE  
OF EVENTS."  
DUBS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DETENTE, MFN, EAST WEST TRADE, SCIENTIFIC COOPERATION, NATURAL GAS, TECHNOLOGICAL EXCHANGES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** willialc  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** ETRD, UR, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005